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EXAMINER

BAYAT, BRADLEY B

ART UNIT PAPER NUMBER

3621

DATE MAILED: 09/23/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

10/030,172

Applicant(s)

ITOH ET AL.

Examiner

Bradley B. Bayat

Art Unit

3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 30 June 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-23 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-23 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |   |   |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                        | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____   | 6) <input type="checkbox"/> Other: _____                                    |

## **DETAILED ACTION**

### ***Status of Claims***

This communication is in response to amendment filed on June 30, 2005.

- Claims 1, 2, 12, 14 and 15 were amended.
- Claims 1-23 remain pending.

### ***Response to Arguments***

Applicant's arguments filed June 30, 2005 have been fully considered but they are not persuasive.

The applicant notes that during the interview held on June 23, 2005, the "examiner agreed to reconsider the rejections of record after filing the present amendment (response p. 10)." As per the interview summary dated June 23, 2005, no agreement was reached and the applicant presented no formal amendment. In fact, applicant pointed to the "poor wording" of claim 2, specifically, the language "leakage prevention means..." which has not been amended as indicated.

As per independent claims 1, 11 and 14, applicant argues that Barzilai does not teach "bidding information receiving means" as recited in amended Claim 1" and therefore dependent claims 3-9 (response p. 11).

The Court of Appeals for the Federal Circuit, in its *en banc* decision *In re Donaldson Co.*, 16 F.3d 1189, 29 USPQ2d 1845 (Fed. Cir. 1994), decided that a "means-or-step-plus-function" limitation should be interpreted in a manner different than patent examining practice had previously dictated. The *Donaldson* decision affects only the manner in which the scope of a "means or step plus function" limitation in accordance with 35 U.S.C. 112, sixth paragraph, is

Art Unit: 3621

interpreted during examination. *Donaldson* does not directly affect the manner in which any other section of the patent statutes is interpreted or applied.

The USPTO must apply 35 U.S.C. 112, sixth paragraph in appropriate cases, and give claims their broadest reasonable interpretation, in light of and consistent with the written description of the invention in the application. See *Donaldson*, 16 F.3d at 1194, 29 USPQ2d at 1850. The Federal Circuit has held that applicants before the USPTO have the opportunity and the obligation to define their inventions precisely during proceedings before the PTO. See *In re Morris*, 127 F.3d 1048, 1056- 57, 44 USPQ2d 1023, 1029- 30 (Fed. Cir. 1997) (35 U.S.C. 112, second paragraph places the burden of precise claim drafting on the applicant); *In re Zletz*, 893 F.2d 319, 322, 13 USPQ2d 1320, 1322 (Fed. Cir. 1989) (manner of claim interpretation that is used by courts in litigation is not the manner of claim interpretation that is applicable during prosecution of a pending application before the PTO); *Sage Prods., Inc. v. Devon Indus., Inc.*, 126 F.3d 1420, 1425, 44 USPQ2d 1103, 1107 (Fed. Cir. 1997) (patentee who had a clear opportunity to negotiate broader claims during prosecution but did not do so, may not seek to expand the claims through the doctrine of equivalents, for it is the patentee, not the public, who must bear the cost of failure to seek protection for this foreseeable alteration of its claimed structure). See MPEP 2181.

A claim limitation will be interpreted to invoke 35 U.S.C. 112, sixth paragraph, if it meets the following 3-prong analysis:

- (A) the claim limitations must use the phrase "means for" or "step for";
- (B) the "means for" or "step for" must be modified by functional language; and
- (C) the phrase "means for" or "step for" must not be modified by sufficient structure, material or acts for achieving the specified function.

As per claim 1, applicant's contentious portion of the claim recites: "bidding information means for receiving bidding price range information sent by a bidder over a communication network, said bidding price range information including a plurality of bid prices (underlined portion denotes amendment to the claim)." The claim uses the phrase "means for" modified by functional language, namely, "receiving bidding price range information sent by a bidder over a communication network" and fails to modify the "means for" phrase by sufficient structure material or acts for achieving the specified function. In fact, the amended portion, further defines the functional language it precedes.

Barzilai clearly discloses a bidding information receiving means, "FIG. 6A, step 320 of enables a user/customer/member to input proposed bids (column 16, lines 10-45)." Furthermore, the receiving means of Barzilai, "computes the average bid for each of item offered for sale, the means of those bids, the mode and the range of all bids made (column 16, lines 26-28). Thus, the prior art at a minimum clearly performs the function as recited in the claim; no definition in the specification excludes the prior art element as an equivalent (Spec. Para. [0008], for calculating a fee based on the bidding price range information), therefore the prior art element is actually an equivalent of the means plus function as recited in the above referenced claim. Accordingly, the rejection of claims 1, 3-9, 11 and 14 are maintained and made FINAL.

As per claims 2, 10, 12 13 and 15-23, applicant submits that neither Barzilai nor Naor teach or suggest, "bidding information receiving means as recited in claims 2 (response p. 11).

As detailed above, Barzilai clearly discloses a "bidding receiving means." Although Naor was not combined with the primary reference to teach a "bidding receiving means," nevertheless, Naor discloses a bid receiving means as in Figure 3.

Art Unit: 3621

As per claims 2, 10, 12 13 and 15-23, applicant concedes that Naor teaches a method and system for preventing the auctioneer from “learning any information about the bids, except for the identity of the winner, and the amount the winner has to pay (response p. 12).”

In response to applicant's argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies are not recited in the rejected claim(s). Applicant's contentious portion of the claim recites, “bidding price information leakage means for preventing the operator of the bidding system from knowing any of the bidding price information received by the bidding receiving means (underlined portion denotes applicant's amendment to the claim).”

Firstly, as detailed above with regards to “means for” claims, Naor performs the identical function as specified in the claim. Applicant's recitation of claim 2 merely prevents the auctioneer from “knowing any of the bidding information...” as taught by Naor. As conceded by applicant, Naor prevents that auctioneer from knowing any of the bidding information, but only learns of the winning bidder and amount. *Id.* However, the claim does not overcome the prior art since it fails to claim the subject matter which applicant claims as the invention, namely, preventing the operator from learning any information about the bidding process, rather than “bidding price information.”

As per applicant's argument that neither reference teaches a “shared key receiving means,” applicant is directed to Naor's various bidding and auction systems wherein encryption means are used to provide privacy with regards to various aspects of a bidding system (columns 19-21). For example, a shared key is merely a public key or session key to secure communication data between parties. For instance, Naor teaches that each bidder can take the

Art Unit: 3621

message from the issuer, encrypt that message using the issuer's public key and send it to the auctioneer (column 17, lines 59-63). Furthermore, Barzilai was not submitted for the above argued proposition.

As per claims Applicant's argument that the issuer may be a bid caller and without learning of the bids it cannot determine a winning bidder misinterprets portions of the Naor (response p. 13). Naor teaches a bidding mechanism, wherein in one embodiment, the encrypted portions are exchanged by the issuer and auctioneer wherein the "circuit" (corresponding to the function) computes the result of the bidding by decrypting the encrypted portions and computing the results based on the parameters of the auction (column 9, lines 17-61).

Accordingly, **THIS ACTION IS MADE FINAL.**

***Claim Rejections - 35 USC § 102***

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

**Claims 1, 3-9, 11 and 14 are rejected under 35 U.S.C. 102(e) as being anticipated by Barzilai et al. (hereinafter Barzilai), US Patent 6,012,045.**

As per the following claims, Barzilai discloses:

1, 11, 14. A bidding system/method/computer medium that receives bids from bidders by disclosing call-for-bid information that has been received from a bid caller calling for bids, and that receives information about a winning bidder determined by the bid caller based on that bidding information, comprising: bidding information receiving means for receiving bidding price range information sent by a bidder over a communication network, said bidding price range information including a plurality of bid prices; and fee calculating means for calculating a fee

Art Unit: 3621

based on the bidding price range information received by the bidding information receiving means (column 2, lines 20-column 3, line 3; column 6, lines 27-37; see associated figures and description).

3, 17. The bidding system according to claim 1, wherein the bidding price range information is information made up of a predetermined price range including the bidding price (column 6, lines 27-37).

4, 18. The bidding system according to claim 1, wherein the fee calculation means calculates the fee using a table correlating the bidding price range information with fee information (column 15).

5, 19. The bidding system according to claim 1, wherein the fee calculation means calculates the winning bidding fee based on the winning bidder information and the bidding price range information (columns 15, line 60-column 17, line 16).

6, 20. The bidding system according to claim 1, wherein the bidding system further comprises, on a bidder's terminal, means for comparing the bidding price information entered by the bidder with bidding range information, and prompting the bidder reenter a bidding price in case of an inconsistency (columns 15, line 10-column 17, line 16).

7, 21. The bidding system according to claim 1, wherein the bidding system further comprises



Art Unit: 3621

means for restricting participation in the bidding if a bidder does not agree to payment of the bidding fee (figure 4a and associated text).

8, 22. The bidding system according to claim 1, wherein the bidding system further comprises means for restricting participation in the bidding if a bidder does not enter a method for payment of the bidding fee (column 11-12).

9, 23. The bidding system according to claim 1, wherein the bidding system further comprises means for confirming a bidder's ability to settle payment, based on a method of payment of the bidding fee entered by the bidder, and means for restricting participation in the bidding if the bidder's ability to settle payment cannot be confirmed with that confirmation means (column 14, line 10-60).

***Claim Rejections - 35 USC § 103***

The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

**Claims 2, 10, 12, 13, 15-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Barzilai ('045), in view of Naor et al. (hereinafter Naor), US 6,834,272 B1.**

As per claims 2, 10, 12, 13, 15 and 16 are Barzilai discloses a bidding system that receives bids from bidders by disclosing call-for-bid information that has been received from a bid caller calling for bids, and that receives information about a winning bidder determined by the bid caller based on that bidding information, comprising: bidding information receiving

Art Unit: 3621

means for receiving bidding price information and bidding price range information sent by a bidder over a communication network; bidding price information sending means for sending bidding price information received by the bidding information receiving means over the communication network to the bid caller; and fee calculating means for calculating a fee based on the bidding price range information received by the bidding information receiving means (see cited portions of rejection above). Barzilai does not explicitly disclose a bidding price information leakage prevention means for preventing the operator of the bidding system from knowing any of the bidding price information received by the bidding receiving means. Naor, however, teaches a privacy protected negotiation and bidding mechanism wherein various bidding information is protected and made private (column 6, line 9-column 7, line 40). Naor utilizes various encryption techniques, including encrypting and decrypting public/private keys to effectuate a private transaction (column 10, line 27-42). It would have been obvious to one of ordinary skill in the art at the time of the invention to utilize the privacy mechanism taught by Naor to prevent an auctioneer from learning bidding information to manipulate the bidding system or to entice other bidders to enter higher bids or leak information to other bidders.

Corresponding dependent claims 17-23 of claim 2 are further rejected as noted above.

The applicant is further directed to review portions of the prior art cited in the response to arguments and are hereby incorporated by reference as part of the rejection to the claims recited above.

Art Unit: 3621

*Although the Examiner has pointed out particular references contained in the prior art(s) of record in the body of this action, the specified citations are merely representative of the teachings in the art as applied to the specific limitations within the individual claim. Since other passages and figures may apply to the claimed invention as well, it is respectfully requested that the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior arts or disclosed by the examiner.*

### **Conclusion**

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Bradley B. Bayat whose telephone number is 571-272-6704. The examiner can normally be reached on Tuesday - Friday 8 a.m.-6:30 p.m. and by email: [bradley.bayat@uspto.gov](mailto:bradley.bayat@uspto.gov). If attempts to reach the examiner by telephone are unsuccessful, the

Art Unit: 3621

examiner's supervisor, James Trammell can be reached regarding urgent matters at 571-272-6712.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

Commissioner of Patents and Trademarks  
Washington, D.C. 20231

Or faxed to:

**(571) 273-8300** - Official communications; including After Final responses.

**(571) 273-6704** - Informal/Draft communications to the examiner.

bbb

*M. L. S.*  
PRIMARY EXAMINER